

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document and the accompanying Form of Proxy as soon as possible to the purchaser or transferee, or the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded to, or transmitted in or into, any jurisdiction where to do so might violate the relevant laws and regulations in that jurisdiction. **In particular, such documents should not be forwarded to, or transmitted in or into, the United States.** If you have sold or otherwise transferred part only of your holding of Ordinary Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

**This document should be read as a whole and in conjunction with the accompanying Form of Proxy and the Notice of General Meeting set out at the end of this document. You are recommended to read the whole of this document but your attention is drawn to the letter from the Non-Executive Chairman of the Company to Shareholders which is set out in this document and which recommends you vote in favour of the Resolutions to be proposed at the General Meeting.**

**The Company and the Directors, whose names appear on page 7 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.**

**Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares, including as regards the right to receive all dividends or other distributions declared, made or paid after Admission. The Placing Shares are expected to be admitted to AIM and to commence trading at 8.00 a.m. on 10 February 2015.**

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# 4D PHARMA PLC

*(Incorporated and registered in England and Wales with registered no. 08840579)*

**Placing of 8,475,610 new Ordinary Shares at a price of 410 pence per Ordinary Share  
and  
Notice of General Meeting**

***Nominated Adviser and Broker***

***Zeus Capital***

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Zeus Capital Limited, which is authorised and regulated by the Financial Conduct Authority and is a member firm of the London Stock Exchange, is acting exclusively for 4D pharma plc and for no one else in relation to the matters described in this document and will not be responsible to anyone other than 4D pharma plc for providing the protections afforded to clients of Zeus Capital Limited or for providing advice on any other matter referred to herein. Zeus Capital Limited has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Zeus Capital Limited for the accuracy of any information or opinions contained in this document or for the omission of any information. Zeus Capital Limited, as nominated adviser and broker to the Company, owes certain responsibilities to the London Stock Exchange which are not owed to the Company or the Directors or any other person.

Notice of the General Meeting of 4D pharma plc to be held at 10.00 a.m. on 9 February 2015 at the offices of Schofield Sweeney LLP, Springfield House, 76 Wellington Street, Leeds LS1 2AY, is set out at the end of this document. To be valid, the Form of Proxy for use at the General Meeting, which accompanies this document, must be completed, signed and returned so as to be received by the Company's registrars,

Capita Asset Services by no later than 10.00 a.m. on 5 February 2015. The completion and return of the Form of Proxy will not prevent you from attending and voting at the General Meeting in person, if you so wish (and are so entitled). A summary of the action to be taken by Shareholders is set out in paragraph 5 of the letter from the Non-Executive Chairman of the Company included in this document and in the Notice of General Meeting.

This document does not constitute a prospectus, neither does it constitute an admission document drawn up in accordance with the AIM Rules. This document does not constitute an offer to sell or the solicitation of an offer to buy any security. The distribution of this document in, into or within jurisdictions other than the United Kingdom may be restricted by law or regulation and, therefore, persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of the relevant jurisdiction.

The Placing Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. Accordingly, subject to certain exceptions, the Placing Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. Shareholders who are residents or citizens of any country other than the United Kingdom and any person (including, without limitation, custodians nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the United Kingdom should seek appropriate advice before taking any action.

This document includes “forward-looking statements” which include all statements other than statements of historical facts, including, without limitation, those regarding the Group’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. These forward looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

In accordance with the AIM Rules, this document will be available to Shareholders on the Company’s website [www.4dpharmapl.com](http://www.4dpharmapl.com) from the date of this document, free of charge.

## CONTENTS

PLACING STATISTICS	4
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	4
DEFINITIONS	5
LETTER FROM THE NON-EXECUTIVE CHAIRMAN OF 4D PHARMA PLC	7
NOTICE OF GENERAL MEETING	11

## PLACING STATISTICS

Placing Price	410p
Number of Ordinary Shares in issue at the date of this document	52,092,119
Number of Placing Shares to be issued	8,475,610
Number of Ordinary Shares in issue following Admission*	60,567,729
Placing Shares expressed as a percentage of the enlarged share capital following Admission*	14.0%
Gross Placing Proceeds	£34.75m

\* Assuming that all of the Placing Shares are issued and that no other Ordinary Shares are issued prior to Admission

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

**2015**

Circular and Form of Proxy posted	21 January
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 5 February
General Meeting	10.00 a.m. on 9 February
Admission and dealings in the Placing Shares expected to commence on AIM	10 February
CREST stock accounts expected to be credited for the Placing Shares	10 February
Posting of share certificates for Placing Shares (if required) by	17 February

Notes:

1. The statistics above assume the passing at the General Meeting of the Resolutions and the Admission of the Placing Shares.
2. Some of the times and dates above are indicative only and if any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.
3. All of the above times refer to London time unless otherwise stated.
4. Events listed in the above timetable following the General Meeting are conditional on the passing at the General Meeting of the Resolutions.
5. All references to legislation in this document are to the legislation of England and Wales, unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

## DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

<b>“Act”</b>	the UK Companies Act 2006, as amended
<b>“Admission”</b>	admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange
<b>“AIM Rules”</b>	the AIM Rules for Companies, which sets out the rules and responsibilities for companies whose shares are admitted to trading on AIM, as amended from time to time
<b>“Board” or “Directors”</b>	the board of directors of the Company, whose names are listed on page 7 of this document
<b>“Circular” or “this document”</b>	this circular of the Company giving (amongst other things) details of the Placing and incorporating the Notice of General Meeting
<b>“Company” or “4D pharma”</b>	4D pharma plc, a public limited company incorporated in England and Wales under registered number 08840579
<b>“CREST”</b>	the relevant system (as defined in the Regulations) which enables title to units of relevant securities (as defined in the Regulations) to be evidenced and transferred without a written instrument and in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Regulations)
<b>“Existing Ordinary Shares”</b>	the 52,092,119 Ordinary Shares in issue at the date of this document all of which are admitted to trading on AIM
<b>“Form of Proxy”</b>	the accompanying form of proxy for use by Shareholders in relation to the General Meeting
<b>“General Meeting”</b>	the general meeting of the Company to be held at 10.00 a.m. on 9 February 2015, notice of which is set out at the end of this document
<b>“Group”</b>	the Company, its subsidiaries and subsidiary undertakings
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Notice of General Meeting”</b>	the notice of General Meeting, set out at the end of this document
<b>“Ordinary Shares”</b>	ordinary shares of 0.25 pence each in the capital of the Company
<b>“Placing”</b>	the proposed conditional, non pre-emptive placing by Zeus Capital (on behalf of the Company) of the Placing Shares at the Placing Price
<b>“Placing Agreement”</b>	the conditional agreement dated 20 January 2015 relating to the Placing, between the Company and Zeus Capital
<b>“Placing Price”</b>	410 pence per Placing Share
<b>“Placing Proceeds”</b>	the net proceeds of the issue of the Placing Shares pursuant to the Placing

<b>“Placing Shares”</b>	8,475,610 new Ordinary Shares which are to be conditionally placed for cash with investors in accordance with the terms of the Placing Agreement and whose allotment and issue is conditional (amongst other things) on the passing of the Resolutions
<b>“Regulations”</b>	the UK Uncertificated Securities Regulations 2001 (SI 2001 No.3755), as amended
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
<b>“Shareholders”</b>	the holders of Ordinary Shares from time to time, each individually a “Shareholder”
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“US” or “United States”</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
<b>“Zeus Capital”</b>	Zeus Capital Limited, a company incorporated in England and Wales with company number 04417845, authorised and regulated by the Financial Conduct Authority

All references in this document to “£”, “pence” or “p” are to the lawful currency of the United Kingdom, all references to “US\$” or “\$” are to the lawful currency of the United States.

## LETTER FROM THE NON-EXECUTIVE CHAIRMAN OF 4D PHARMA PLC

# 4D PHARMA PLC

(Incorporated and registered in England and Wales with registered no. 08840579)

74 Gartside Street  
Manchester  
M3 3EL

Company number: 08840579

### *Directors:*

David Norwood, *Non-Executive Chairman*

Duncan Peyton, *Chief Executive Officer*

Alex Stevenson, *Chief Scientific Officer*

Thomas Engelen, *Non-Executive Director*

21 January 2015

Dear Shareholder

### **Placing of 8,475,610 new Ordinary Shares at a price of 410 pence per Ordinary Share and Notice of General Meeting**

#### **1. INTRODUCTION**

I am pleased to inform you that the Board announced today that the Company has raised, subject to certain conditions, £34.75 million by way of a placing of 8,475,610 new Ordinary Shares at a placing price of 410 pence per Ordinary Share.

The Placing is conditional (amongst other things) upon the passing of the Resolutions in order to ensure that the Directors have the necessary authorities and powers to allot the Placing Shares for cash on a non pre-emptive basis. A General Meeting is therefore being convened for the purpose of considering the Resolutions at 10.00 a.m. on 9 February 2015 at the offices of Schofield Sweeney LLP, Springfield House, 76 Wellington Street, Leeds LS1 2AY. The Notice of General Meeting is set out at the end of this document.

The purpose of this document is to provide you with details of, and the reasons for, the Placing and why the Directors believe it to be in the best interests of the Company and its Shareholders and, further, why they recommend that you vote in favour of the Resolutions. The Directors intend to vote in favour of the Resolutions in respect of their legal and/or beneficial shareholdings amounting, in aggregate, to 20,000,572 Ordinary Shares representing approximately 38.4 per cent. of the Existing Ordinary Shares.

#### **2. BACKGROUND TO, AND REASONS FOR THE PLACING**

##### ***Background***

The Company has focussed its current interests solely in the microbiome field and the discovery and development of bacteria as live biotherapeutics. The Board believes that this field, which is a new class of therapeutics, could deliver a significant step forward in the healthcare market, developing medicines that show a significant step forward in efficacy with a greatly improved safety profile. On 14 July 2014 the Company placed 14,333,334 Ordinary Shares, raising £21.5million (the "July 2014 Placing") in order to develop its existing products, Thetanix and Rosburix, and Micro Rx, the Company's proprietary discovery platform, as well as to identify, develop and ultimately acquire other microbiome related projects.

### **Developments since the July 2014 Placing**

The Company acquired an additional live biotherapeutic, Blautix, in July 2014 which is in development for the treatment of Irritable Bowel Syndrome (IBS). The Company expects to commence clinical trials of Blautix in the second quarter of 2015 and recently reported evidence of efficacy in a humanised disease model of IBS. The Company also expects to commence clinical trials of its treatment for Paediatric Crohn's Disease, Thetanix, in the second quarter of 2015. The Company's third product in development, Rosburix, received orphan drug designation from the FDA in August 2014 for the treatment of Paediatric Ulcerative Colitis (PUC).

4D pharma also continues to discover and develop new live biotherapeutic candidates using its MicroRx platform. This technology allows for the rapid screening of the Company's library of commensal bacteria, isolated from the human gut, for therapeutic effect. The platform is initially focussed on the discovery of potential treatments for autoimmune and inflammatory diseases.

In January 2015, the Company reported it had identified a number of bacteria that had demonstrated therapeutically relevant effects in pre-clinical models of rheumatoid arthritis, allergic asthma and severe, steroid resistant asthma. The Board believes that the ability of the Micro Rx platform to rationally select bacteria and demonstrate therapeutically relevant effects in a matter of months is a significant step forward and could enable the rapid selection and development of live biotherapeutic drug candidates for a wide range of important human diseases.

### **Continuation of Strategy**

Having demonstrated the ability of the MicroRx platform to identify potential live biotherapeutic drug candidates for non-gut diseases such as asthma and rheumatoid arthritis, the Company intends to build its discovery and development capability, to enable a greater number of candidates to be progressed towards the clinic. The Company also intends to expand the pipeline beyond its existing programmes for inflammatory and autoimmune disorders.

### **Use of Proceeds**

The Directors intend to use the proceeds of the Placing for:

- clinical development of Blautix, Thetanix and Rosburix;
- scaling up the Micro Rx platform to expand its discovery and development capability, to expand the Company's pipeline; and
- building in house development capability.

## **3. DETAILS OF THE PLACING**

The Company proposes to raise £34.75 million, by way of a conditional, non pre-emptive placing of 8,475,610 new Ordinary Shares at the Placing Price. The Placing Shares have, pursuant to the Placing Agreement, been placed by Zeus Capital, as agent for the Company, with institutional and other professional investors. The Directors had considered whether the Company would be able to extend the offer of new Ordinary Shares to all existing Shareholders but, having discussed this with its professional advisers, decided that the expense of doing so could not be justified and would not be in the best interests of the Company at this time.

The Placing Price represents a discount of approximately 10.9 per cent. to the closing mid-market price of the Ordinary Shares of 460 pence on 20 January 2015 (being the last practicable dealing day prior to the date of this document). The Placing Shares will represent approximately 14.0 per cent. of the ordinary share capital as enlarged by the Placing and will, when issued, rank *pari passu* in all respects with the other Ordinary Shares then in issue, including all rights to all dividends and other distributions declared, made or paid following Admission.

The Placing Agreement is conditional upon (amongst other things) the Placing Agreement not having been terminated, the passing of the Resolutions at the General Meeting and Admission occurring on or before 8.00 a.m. on 10 February 2015 (or such later date as Zeus Capital and the Company may agree, being not later than 8.00 a.m. on 10 March 2015).



The Placing Agreement contains warranties from the Company in favour of Zeus Capital in relation to (amongst other things) the Company and its business. In addition, the Company has agreed to indemnify Zeus Capital in relation to certain liabilities it may incur in undertaking the Placing. Zeus Capital has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, it may terminate in the event that there has been a material breach of any of the warranties or for *force majeure*.

Application will be made for the Placing Shares to be admitted to trading on AIM. It is expected that dealings in the Placing Shares will commence on AIM on 10 February 2015.

#### **4. RESOLUTIONS**

The Company currently does not have sufficient authority to allot Ordinary Shares under the Act to effect the Placing. Accordingly the Resolutions, summarised below, are being proposed at the General Meeting to ensure that the Directors have sufficient authority to allot the Placing Shares on a non pre-emptive basis and to renew the Company's existing general authorities to take account of the Placing.

##### ***Resolution 1: Specific authority to allot shares***

Resolution 1 is an ordinary resolution to grant authority to the Directors under section 551 of the Act to allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £21,190 such authority expiring on 10 March 2015.

If Resolution 1 is passed the Directors will have the authority, under the Act, to allot Ordinary Shares up to the maximum aggregate nominal amount of £21,190 (being the maximum required for the purposes of issuing the Placing Shares).

##### ***Resolution 2: Specific disapplication of pre-emption rights***

Resolution 2 is a special resolution which, if passed, will empower the Directors, pursuant to section 570(1) of the Act, to allot equity securities for cash pursuant to the authority conferred by Resolution 1 up to an aggregate nominal amount of £21,190 on a non pre-emptive basis, such authority expiring on 10 March 2015.

If passed, this authority, in conjunction with the authority proposed pursuant to Resolution 1, will enable the Directors to effect the Placing on a non pre-emptive basis.

##### ***Resolution 3: General authority to allot shares and disapplication of pre-emption rights***

Resolution 3 is a special resolution, conditional upon and with effect from completion of the Placing, to:

- grant authority to the Directors under section 551 of the Act to allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £50,468.00 (being equal to approximately one-third of the issued share capital of the Company immediately following Admission); and
- empower the Directors, pursuant to section 570(1) of the Act, to allot equity securities for cash and to sell treasury shares pursuant to such authority on a non pre-emptive basis in relation to rights issues and otherwise up to an aggregate nominal amount of £7,571.00 (being equal to approximately 5 per cent. of the issued share capital of the Company immediately following Admission).

These authorities will be in addition to those being proposed to be given to the Directors pursuant to Resolutions 1 and 2 in order to effect the Placing; but will then replace existing authorities which the Company currently has in place under sections 551 and 570(1) of the Act. These new authorities will expire on the conclusion of the Company's annual general meeting to be held in 2015 or 10 May 2015, whichever is earlier; the same expiry date as the existing authorities.

Resolution 1 is an ordinary resolution and requires a majority of more than 50 per cent. of the votes cast to be passed. Resolutions 2 and 3 are special resolutions and require the approval of not less than 75 per cent. of the votes cast to be passed. If Resolutions 1 and 2 are not passed by the requisite majority, the Placing will not proceed. Resolution 3 is in any event conditional upon completion of the Placing.

The Notice of General Meeting is contained at the end of this document and sets out the Resolutions in full. The General Meeting is to be held at the offices of Schofield Sweeney LLP, Springfield House, 76 Wellington Street, Leeds LS1 2AY at 10.00 a.m. on 9 February 2015.

## 5. ACTION TO BE TAKEN

Enclosed with this document is a Form of Proxy for use at the General Meeting. **Whether or not you intend to be present at the General Meeting, you are requested to complete, sign and return the Form of Proxy to the Company's registrars, Capita Asset Services, so as to be received as soon as possible and, in any event, not later than 10.00 a.m. on 5 February 2015.**

If you complete and return the Form of Proxy, you may still attend and vote at the General Meeting should you wish to do so. Shareholders who hold their Ordinary Shares through a nominee should instruct their nominees to submit a Form of Proxy on their behalf.

## 6. RELATED PARTY TRANSACTIONS

The following Related Parties (as defined in the AIM Rules for Companies) will be participating in the Placing.

<i>Related Party</i>	<i>Current Holding</i>	<i>% of Existing</i>		<i>Holding post subscription</i>	<i>% of Enlarged Share Capital</i>
		<i>Ordinary Shares</i>	<i>Subscription</i>		
Invesco Asset Management Limited*	6,905,667	13.3	1,707,317	8,612,984	14.2
Woodford Investment Management	6,886,069	13.2	2,012,201	8,898,270	14.7

*\*acting as agent for and on behalf of its discretionary managed clients.*

The Directors, consider, having consulted with the Company's nominated adviser, Zeus Capital, that the terms of the Related Parties' participation in the Placing are fair and reasonable insofar as the Company's Shareholders are concerned.

## 7. RECOMMENDATION

**The Directors consider that the Placing and the Resolutions are in the best interests of the Company and its Shareholders as a whole and accordingly recommend that Shareholders vote in favour of the Resolutions, as they intend to do in respect of their own legal and/or beneficial shareholdings, amounting, in aggregate, to 20,000,572 Ordinary Shares (representing approximately 38.4 per cent. of the Existing Ordinary Shares).**

Yours faithfully

David Norwood  
*Non-Executive Chairman*

## NOTICE OF GENERAL MEETING

# 4D PHARMA PLC

*(Incorporated and registered in England and Wales with registered number 08840579)*

**Notice is hereby given that a General Meeting of 4D pharma plc (the “Company”) will be held at 10.00 a.m. on 9 February 2015 at the offices of Schofield Sweeney LLP, Springfield House, 76 Wellington Street, Leeds LS1 2AY for the purposes of considering and, if thought fit, passing the following resolutions, of which Resolution 1 will be proposed as an ordinary resolution and Resolutions 2 and 3 will be proposed as special resolutions.**

### ORDINARY RESOLUTION

1. That in accordance with section 551 of the Companies Act 2006 the directors be and they are hereby unconditionally authorised to exercise all the powers of the Company to allot equity securities (as defined in section 560 of the Companies Act 2006) provided that such authority:
  - 1.1 shall be limited to the allotment of up to 8,476,000 ordinary shares of 0.25 pence each in the capital of the Company in connection with the proposed placing of shares in the Company by Zeus Capital Limited, described in the circular of the Company dated 21 January 2015; and
  - 1.2 shall (unless previously revoked, varied or renewed) expire on 10 March 2015, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

Such authority is in addition to the authority to allot equity securities granted by the Company at its general meeting held on 11 July 2014.

### SPECIAL RESOLUTIONS

2. That in accordance with section 571 of the Companies Act 2006, the directors be and they are hereby given power to allot equity securities (as defined in section 560 of the Companies Act 2006) pursuant to the authority conferred by Resolution 1 above as if section 561 of the Companies Act 2006 did not apply to such allotment, provided that the power granted by this resolution shall (unless previously revoked, varied or renewed) expire when the authority conferred by Resolution 1 above shall expire, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.
3. That, conditional upon the proposed placing of shares in the Company by Zeus Capital Limited described in the circular of the Company dated 21 January 2015 taking place not later than 8.00 a.m. on 10 February 2015 (or such later time and/or date, being not later than 8.00 a.m. on 10 March 2015, as the directors, on behalf of the Company, and Zeus Capital Limited may agree) and with effect from completion of such placing:
  - 3.1 in accordance with section 551 of the Companies Act 2006 the directors be and they are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot equity securities (as defined in section 560 of the Companies Act 2006) up to an aggregate nominal value of £50,468.00, provided that such authority shall (unless previously revoked, varied or renewed) expire on the earlier of the date of the next annual general meeting of the Company and 10 May 2015, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired; such authority is in addition to the authority conferred by Resolution 1 above but otherwise in substitution for any and all authorities previously conferred upon the directors for the purposes of section 551 of the Companies Act 2006, without prejudice to any allotments made pursuant to the terms of such authorities; and

3.2 in accordance with sections 570 and 573 of the Companies Act 2006, the directors be and they are hereby given power to allot equity securities (as defined in section 560 of the Companies Act 2006) pursuant to the authority conferred by paragraph 3.1 of this resolution, and to sell treasury shares, as if section 561 of the Companies Act 2006 did not apply to such allotment or sale, provided that this power shall be limited to:

3.2.1 the allotment or sale of equity securities for cash in connection with or pursuant to an offer to the holders of equity securities and other persons entitled to participate, in proportion (as nearly as may be) to their then holdings of equity securities (or, as appropriate, the numbers of such securities which such other persons are for those purposes deemed to hold), subject only to such exclusions or other arrangements as the directors may feel necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body of, or any stock exchange in, any territory; and

3.2.2 the allotment or sale of equity securities (otherwise than pursuant to sub-paragraph 3.2.1) for cash up to a maximum nominal value of £7,571.00,

and shall (unless previously revoked, varied or renewed) expire on the earlier of the date of the next annual general meeting of the Company and 10 May 2015, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or sold after such expiry and the directors may allot or sell equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

**By Order of the Board**

**Laurence Dale**

*Company Secretary*

21 January 2015

*Registered Office*

74 Gartside Street

Manchester

M3 3EL

## **NOTES TO THE NOTICE OF GENERAL MEETING**

1. A member entitled to attend and vote at the Meeting is also entitled to appoint one or more proxies of their own choice to exercise all or any of their rights to attend, speak and vote on their behalf at the Meeting. A member can only appoint a proxy using the procedures set out in these notes and the notes to the accompanying form of proxy.
2. A member may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A member may not appoint more than one proxy to exercise rights attached to any one share. The proxy need not be a member of the Company, but must attend the Meeting to represent the member. Please refer to the notes to the form of proxy for further information on appointing a proxy, including how to appoint multiple proxies.
3. In the absence of instructions, the person appointed proxy may vote or abstain from voting as he/she thinks fit on the specified Resolutions and, unless otherwise instructed, may also vote or abstain from voting on any other matter (including amendments to the Resolutions) which may properly come before the Meeting.
4. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority is determined by the order in which the names of the holders stand in the Company's register of members in respect of the joint holding.
5. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member; provided that each representative is appointed to exercise the rights attached to a different share or shares held by the member.
6. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company specifies that only those members registered on the Register of Members at 6.00 p.m. on 5 February 2015 (the "Specified Time") (or if the Meeting is adjourned to a time more than 48 hours after the Specified Time, taking no account of any part of a day that is not a working day, by 6.00 p.m. on the day which is two working days prior to the time of the adjourned meeting) shall be entitled to attend and vote thereat in respect of the number of shares registered in their name at that time. If the Meeting is adjourned to a time not more than 48 hours after the Specified Time (taking no account of any part of a day that is not a working day), that time will also apply for the purposes of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. Changes to the Register after the relevant deadline shall be disregarded in determining rights to attend and vote.

### **Appointment of proxy using hard copy proxy form**

7. Members may appoint a proxy or proxies by completing and returning a form of proxy by post to the offices of the Company's registrars using the business reply address on the form, or in an envelope addressed to, Capita Asset Services, FREEPOST RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU; or delivering a form of proxy by hand at the offices of the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU during normal business hours. In the case of a member which is a corporation, the proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer or an attorney. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power of authority) must be included with the proxy form. Any such power of attorney or other authority cannot be submitted electronically.
8. To be effective, the appointment of a proxy, or the amendment to the instructions given for a previously appointed proxy, must be received by the Company's registrars by the method outlined in note 7 above no later than 10.00 a.m. on 5 February 2015. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

### **Appointment of proxy using CREST electronic proxy appointment service**

9. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (**EUI**) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: RA10) by the latest time(s) for receipt of proxy appointments specified in this notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

### **Termination of proxy appointments**

13. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the Meeting.
14. In order to terminate the authority of a proxy, or a corporate representative of a corporation, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke such appointment to the Company's registrars. To be effective, the notice of termination must be received by the Company's registrars by the method outlined in note 7 above no later than 10.00 a.m. on 6 February 2015.

### **Voting Rights**

15. As at 20 January 2015, being the latest practicable date prior to the printing of this Notice, the Company's issued capital consisted of 52,092,119 Ordinary Shares carrying one vote each. Therefore, the total voting rights in the Company as at 20 January 2015 are 52,092,119.

### **Communications**

16. This Notice, together with information about the total numbers of shares in the Company in respect of which members are entitled to exercise voting rights at the Meeting as at 20 January 2015, being the latest practicable date prior to the printing of this Notice, will be available on the Company's website [www.4dpharmapl.com](http://www.4dpharmapl.com).
17. Except as provided above, members who have general queries about the annual general meeting should contact Duncan Peyton (0161 837 6200; 74 Gartside Street, Manchester M3 3EL). No other methods of communication will be accepted. Any electronic address provided either in this Notice or in any related documents (including the accompanying form of proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.

